

Adopted	Rejected
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COMMITTEE REPORT

YES:	22
NO:	1

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 333, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 4, between lines 38 and 39, begin a new paragraph and insert:
- 2 "SECTION 2. IC 6-3.1-22 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2001 (RETROACTIVE)]:
- 5 **Chapter 22. Rerefined Lubrication Oil Facility Credit**
- 6 **Sec. 1. As used in this chapter, "pass through entity" means:**
- 7 **(1) a corporation that is exempt from the adjusted gross**
- 8 **income tax under IC 6-3-2-2.8(2);**
- 9 **(2) a partnership;**
- 10 **(3) a limited liability company; or**
- 11 **(4) a limited liability partnership.**
- 12 **Sec. 2. As used in this chapter, "rerefined lubrication oil" means**
- 13 **base oil:**
- 14 **(1) manufactured from at least ninety-five percent (95%) used**
- 15 **oil; and**
- 16 **(2) that is not more than two percent (2%) previously unused**

oil;
 created by a refining process that effectively removes physical and
 chemical impurities and spent and unspent additives to the extent
 that the base oil is capable of meeting industry standards for
 engine oil (as defined by API 1509).

Sec. 3. As used in this chapter, "state tax liability" means a
 taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.1 (the gross income tax);
- (2) IC 6-2.5 (state gross retail and use tax);
- (3) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (4) IC 6-3-8 (the supplemental corporate net income tax);
- (5) IC 6-5-10 (the bank tax);
- (6) IC 6-5-11 (the savings and loan association tax);
- (7) IC 6-5.5 (the financial institutions tax); and
- (8) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under
 IC 6-3.1-1-2 are to be applied before the credit provided by this
 chapter.

Sec. 4. As used in this chapter, "taxpayer" means an individual
 or entity that has any state tax liability.

Sec. 5. Subject to section 9 of this chapter, a person is entitled to
 a credit against the person's state tax liability in a taxable year for
 a percentage of the ad valorem property taxes, excluding interest
 and penalties, paid by the taxpayer in the taxable year for the
 following:

- (1) Real property on which a facility that processes rerefined
 lubrication oil is located.
- (2) Personal property used in the processing of rerefined
 lubrication oil, including personal property used in the
 transportation of rerefined lubrication oil to and from the
 processing facility.

Sec. 6. (a) The amount of the credit to which a taxpayer is
 entitled under this chapter equals the product of:

- (1) the percentage prescribed in subsection (b); multiplied by
 - (2) the amount of the ad valorem property taxes, excluding
 interest and penalties, paid by the taxpayer in the taxable year
 on the tangible property described in section 5 of this chapter.
- (b) The percentage of the credit referred to in subsection (a)(1)

1 is as follows:

2	YEAR	PERCENTAGE
3		OF THE CREDIT
4	2001	100%
5	2002	80%
6	2003	60%
7	2004	40%
8	2005	20%

9 Sec. 7. If a pass through entity is entitled to a credit under
 10 section 5 of this chapter but does not have state tax liability against
 11 which the tax credit may be applied, a shareholder, partner, or
 12 member of the pass through entity is entitled to a tax credit equal
 13 to:

- 14 (1) the tax credit determined for the pass through entity for
 15 the taxable year; multiplied by
 16 (2) the percentage of the pass through entity's distributive
 17 income to which the shareholder, partner, or member is
 18 entitled.

19 Sec. 8. A taxpayer is entitled to carry forward, for a period not
 20 to exceed two (2) years, any unused credit under section 6 or 7 of
 21 this chapter.

22 Sec. 9. To be entitled to a credit under this chapter, a taxpayer
 23 must request the department of commerce to determine if the
 24 taxpayer is entitled to the credit under this chapter. A taxpayer
 25 must make the request to the department of commerce in the
 26 manner and on forms prescribed by the department of commerce.

27 Sec. 10. This chapter expires January 1, 2006.

28 SECTION 3. [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]
 29 A taxpayer is not entitled to carry forward an used credit under
 30 IC 6-3.1-22, as added by this act, to a taxable year beginning after
 31 December 31, 2007.

32 SECTION 4. [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]

1 **IC 6-3.1-22, as added by this act, applies to taxable years beginning**
2 **after December 31, 2000."**

3 Renumber all SECTIONS consecutively.
 (Reference is to SB 333 as reprinted March 6, 2001.)

and when so amended that said bill do pass.

Representative Bauer